Steel supply to stainless steel industry

1701. SHRI SITARAM YECHURY: Will the Minister of STEEL be pleased to state:

whether the stainless steel industry is facing shortage of steel supply;

if so, the reasons thereof;

whether it is a fact that the uncontrolled export of iron ore is the reason for this shortage of supply thereby hampering the activities of the industry; and

if so, the steps contemplated by Government to remove the hurdles in supply?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) and (b) Stainless steel scrap is one of the basic inputs of production of stainless steel. The spurt in demand of steel in the international market as well as the domestic market has caused hike in prices of scrap and other critical inputs required for stainless steel.

The basic input for the production of stainless steel includes scrap, nickel, chrome, ferro-alloy and iron ore. Export of iron ore does not have any direct correlation with production of stainless steel.

In order to improve the supply side, Government has reduced the customs duty on import of nickel from 5% to 2% during 2007-08. Further, the Union Budget Proposal 2008-09 has also reduced customs duty on iron and steel scrap from 5% to Nil. Further, in order to conserve chrome ore, which is one of the important raw materials for stainless steel, Government has also proposed enhancement of export duty on chorme ore from Rs. 2000 per tonne to Rs. 3000 per tonne in Union Budget 2008-09.

Blue print of SAIL for growth beyond 2010

1702. SHRI BALAVANT *ALIAS* BAL APTE:
SHRI SHREEGOPAL VYAS:

Will the Minister of STEEL be pleased to state:

whether the Steel Authority of India Limited (SAIL) has brought out a blue print for growth beyond 2010;

if so, the details thereof;

whether the SAIL is considering to make acquisition of coking coal assets in Australia; and

if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) and (b) As of now, there is no detailed blue print for growth beyond 2010. However, the Steel Authority of India Ltd. (SAIL) is in the process of making a growth plan for the period beyond 2010.

(c) and (d) The Government of India has given its approval for the formation of a Speacial Purpose Vehicle (SPV) constituted by the Steel Authority of India Limited (SAIL), Coal' India Limited (CIL), Rashtriya IspatNigam Limited (RINL), National Mineral Development Corporation Limited (NDMC) and National Thermal Power Corporation Limited (NTPC) for securing metallurgical coal and thermal coal assets in overseas territories. Acquisition of coking coal assets would be done by the proposed SPV for the member companies. Preliminary business activities of the SPV have commenced with the identification of suitable opportunities in various countries, including Australia. No coal assets have been acquired so far.